



**STATEMENT OF PROCEEDINGS
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY AUDIT COMMITTEE**

**KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 140
LOS ANGELES, CALIFORNIA 90012**

Wednesday, October 15, 2014

10:30 AM

AUDIO LINK FOR THE ENTIRE MEETING. (14-4734)

Attachments: [AUDIO](#)

Present: Vice Chair Lori Glasgow, Member Louisa Ollague, Member
 Dorinne Jordan and Member Kieu-Anh King

Absent: Chair Carl Gallucci

I. ADMINISTRATIVE MATTERS

1. Call to Order. (14-4026)

The meeting was called to order by Lori Glasgow at 2:09 p.m.

2. Approval of the August 20, 2014 meeting minutes. (14-4027)

On motion of Kieu-Anh King, seconded by Louisa Ollague, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

II. BOARD POLICIES

3. Recommendation to approve amendments to Board Policy No. 3.050 - Identification Cards (8/15/14). (14-3820)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

4. Recommendation to approve substantive changes to the following Board Policies, extend the sunset review dates to December 31, 2018 and submit to the Board of Supervisors for final action:

- 6.100 - Information Technology and Security Policy
- 6.101 - Use of County Information Technology Resources
- 6.102 - Countywide Antivirus Security Policy
- 6.103 - Countywide Computer Security Threat Responses
- 6.104 - Electronic Communication
- 6.105 - Internet Usage Policy
- 6.106 - Physical Security
- 6.107 - Information Technology Risk Assessment
- 6.108 - Auditing and Compliance
- 6.109 - Security Incident Reporting
- 6.110 - Protection of Information on Portable Computing Devices
- 6.111 - Information Security Awareness Training
- 6.112 - Secure Disposition of Computing Devices (9/3/14). (14-4069)

Chief Information Office (CIO) representatives Robert Pittman and Jeff Zito were in attendance to respond to inquiries.

The item was tabled for discussion to allow Dorinne Jordan to rejoin the meeting.

Later in the meeting, on motion of Lori Glasgow, seconded by Kieu-Anh King, the Audit Committee extended the sunset review date to December 31, 2014 on all policies and continued this item to the next meeting. In addition, the CIO was asked to work with the Fifth Supervisorial District office to address outstanding issues.

Attachments: [SUPPORTING DOCUMENT](#)

5. Recommendation to approve the following:
- Substantive changes to Board Policy No. 3.040 - General Records Retention and Protection of Records Containing Personal and Confidential Information, extend the sunset review date to October 3, 2018 and submit to the Board of Supervisors for final action.
 - Proposed Board Policy No. 3.041 entitled Protection of Records Containing Personal and Confidential information for submission to the Board of Supervisors for final action. (9/19/14). (14-4401)

Dean Logan, Registrar-Recorder/County Clerk (RR/CC), provided an overview of the record management program, the revisions to Board Policy No. 3.040 and the addition of proposed Board Policy No. 3.041. The General Records Retention Schedule and the Departmental Records Retention Schedule have been reviewed by County Counsel, the Chief Information Officer (CIO) and relevant departments.

Edward Sumcad, RR/CC, shared examples of required retention periods for communication content in the retention schedule categories.

CIO and RR/CC staff were instructed to attach a list of accumulative incident reports to the appropriate policy with the next review in 2018; language making reference to Board Policy No. 6.109 - Security Incident Reporting, should also be included.

Robert Pittman, CIO, reported that his office is working with County Counsel to update proposed policy 3.041 and make it consistent with the California Civil Code; the process is expected to be completed by January 2015.

Laura Jacobson, County Counsel, reported that best practices and the needs of the departments were taken into consideration in developing the Departmental Records Retention Scheduled.

Discussion ensued among Mr. Logan, Ms. Jacobson and Vicki Kozikoujekian, County Counsel, with regard to content defined as a record and that meets the requirements for retention.

By Common Consent, there being no objection, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

6. Recommendation to extend the sunset review date of Board Policy No. 6.040 - Department Web Pages - Hot Links to the Child Support Services Department's "Most Wanted" List to December 9, 2018 (10/8/14). (14-4661)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

III. SUNSET REVIEW

7. Recommend to the Board of Supervisors to extend the Los Angeles County Commission for Public Social Services sunset review date to November 30, 2017 (9/3/14). (14-4106)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

IV. OLD BUSINESS

8. Recommendation to approve amendments to Board Policy No. 5.070 - Multi-Year Services Contract Cost of Living Adjustments and extend the sunset review date to March 18, 2018 (12/31/13) (Continued from meetings 1/15/14, 2/19/14, 3/19/14, 4/16/14, 5/21/14, 7/16/14 and 8/20/14). (14-0216)

Dorinne Jordan requested that the sunset review date be revised from March 18, 2018 to March 18, 2015.

On motion of Dorinne Jordan, seconded by Lori Glasgow, this item was approved as amended by the Dorinne Jordan to extend the sunset review date to March 18, 2015.

Attachments: [SUPPORTING DOCUMENT](#)

9. Recommendation to approve amendments to Board Policy No. 3.105 - Redevelopment Goals, and extend the sunset review date to October 8, 2018 (6/25/14) (Continued from meetings of 7/16/14 and 8/20/14). (14-3173)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

10. Department of Parks and Recreation - Review of Proposition A Contract Cost Analysis for Maintenance Services at La Puente Area Parks (9/26/13) (Continued from the meetings of 10/16/13, 11/20/13, 12/18/13, 5/21/14 and 7/16/14). (13-4657)

Robert Maycumber, Department of Parks and Recreation, reported that his department agrees with the findings and provided a brief update of the recommendations implemented by his department, including properly documenting the method utilized to estimate the number of avoidable County positions used in the Proposition A Contract Cost Analysis.

By Common Consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

11. Department of Children and Family Services - Review of Trust Funds (4/30/14). (14-2040)

Robert Smythe, Auditor Controller, reported that this item has not been discussed at the Children and Families' Well Being Cluster.

Kieu-Anh King asked that staff from the Auditor Controller, County Counsel, and Department of Children and Family Services' (DCFS) provide a status update at the next meeting, after it has been discussed at the Children and Families' Well Being Cluster.

Commission Services staff was instructed to invite Child Support Services, County Counsel and DCFS staff to the next meeting.

By Common Consent, there being no objection, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

12. Community and Senior Services - Reviews of Workforce Investment Act Service Providers - Fiscal Year 2012-13 Summary Report (5/21/14). (14-2471)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)
[SUPPORTING DOCUMENT](#)

13. Community and Senior Services - Reviews of Workforce Investment Act Summer Youth Work Experience Program Service Providers - Fiscal Year 2013-14 Summary Report (5/21/14). (14-2472)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

14. Workers' Compensation Payment Process - Follow-up Review (7/8/14) (Continued from the meeting of 7/16/14). (14-3178)

Robert Smythe, Auditor-Controller (A-C), provided an overview of the Chief Executive Office's (CEO) Workers' Compensation Payment Process and the usage of miscellaneous payment codes versus vendor payment codes. Mr. Smythe explained how using miscellaneous vendor codes distort accounting records in the electronic Countywide Accounting and Purchasing System (eCAPS).

Steve Robles, CEO, reported that the CEO's Finance Unit and the A-C are working together to decrease the usage of miscellaneous vendor codes. CEO is currently upgrading the workers' compensation claims system in an effort to successfully interface with eCAPS. Mr. Robles also provided an overview of the bypass list that was created as a result of workers' compensation payments being mailed to wrong addresses.

Alex Rossi, CEO, reported that the usage of miscellaneous vendors has decrease from 65% in 2010 to 21% in 2014.

Arlene Barrera, A-C, provided a briefing of the vendor table, created for workers' compensation payments, and the importance of utilizing specific vendor codes instead of miscellaneous codes for payments.

CEO and A-C staff were instructed to report back in nine months on the status of their new claims system.

On motion of Kieu-Anh King, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

15. Internal Services Department - Countywide Utility Billing System Review (7/29/14). (14-3528)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

16. AIDS Healthcare Foundation - A Department of Public Health Division of HIV and STD Programs Provider - Contract Compliance Review (7/30/14). (14-3567)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

V. REPORTS

17. Department of Public Social Services - State Mandated Financial and Compliance Audits of Program Contracts - Fiscal Year 2012-13 (8/14/14). (14-3716)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

18. Review of the County Treasurer's Statements of Net Position for the Quarter Ended March 31, 2014 (8/18/14). (14-3800)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

19. Report of Monies Owed to Third Parties as of June 30, 2014 (8/19/14). (14-3814)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

20. Sheriff's Department - Provisional Financing Uses Funding Claim Review (June 2014) (8/21/14). (14-3915)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

21. Foothill Family Service - A Department of Public Social Services Cal-Learn Program Provider - Contract Compliance Review (8/22/14). (14-3916)

This item was discussed with Agenda Item No. 22.

Princess Nelson, Auditor-Controller (A-C), reported that agencies with recommendations for unfit funds can submit a plan to reinvest funds; however, the plan is subject to approval by the department.

A-C staff was instructed to provide a list of all departments that are utilizing the reimbursement policy and Department of Public Social Services' (DPSS) staff was instructed to provide a total amount of reinvestment funds that were granted for year 2013 14; both requests will be included in a future agenda once they are completed.

Ms. Nelson reported that Foothill Family Service agreed to disclose all related party contracts to DPSS before they are granted.

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

22. El Nido Family Centers - A Department of Public Social Services Cal-Learn Program Provider - Contract Compliance Review (8/22/14). (14-3918)

This item was discussed with Agenda Item No. 21.

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

23. Anne Sippi Clinic Treatment Group - A Department of Mental Health Service Provider - Contract Compliance Review (8/26/14). (14-3924)

Don Chadwick, Auditor-Controller, reported that the Department of Mental Health (DMH) will attend the November 19, 2014 Audit Committee meeting.

Elaine Boyd, A-C, reported that her office received documentation from DMH advising that the agency has resolved there questioned costs.

On motion of Kieu-Anh King, seconded by Dorinne Jordan, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

24. Annual Reporting Requirements for Foundations and Support Groups (8/26/14). (14-3943)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

25. LAMP, Inc. dba LAMP Community - A Department of Mental Health Service Provider - Contract Compliance Review (8/27/14). (14-4012)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

26. Department of Public Health - Nursing Home Investigation Follow-Up Review (Board Agenda Item 49-A, March 4, 2014) (8/27/14). (14-4013)

Don Chadwick, Auditor-Controller, reported that the Department of Public Health provided a briefing at the Health and Mental Health Services Cluster meeting that included improvements in their inspections.

On motion of Louisa Ollague, seconded by Kieu-Anh King, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

27. Proposition A Contract - Department of Parks and Recreation Landscape Maintenance Services for Stevenson Ranch Area Zones, Group 2 (Board Agenda September 9, 2014, Item 27) (9/4/14). (14-4107)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

28. The Whole Child - A Department of Mental Health Service Provider - Contract Compliance Review (9/5/14). (14-4112)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

29. Semi-Annual Fraud Hotline Status Report - January 1, 2014 through June 30, 2014 (9/10/14). (14-4183)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

30. Internal Services Department - Commitments, Accounts Payable, and Trust Accounts Follow-Up Review (9/24/14). (14-4490)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

31. Treasurer's August 27, 2014 Cash Count (9/29/14). (14-4491)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

32. Public Safety Realignment Act (AB109) Review - Fire Department - Fiscal Year 2013-14 (9/29/14). (14-4492)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

33. Sodexo America, LLC - A Department of Health Services Housekeeping Services Contract Service Provider - Contract Compliance Review (9/30/14). (14-4504)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was continued to the next meeting.

Attachments: [SUPPORTING DOCUMENT](#)

34. Report of Treasurer and Tax Collector's Cash Difference Fund Replenishments for the Fiscal Year Ended June 30, 2014 (10/2/14). (14-4577)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

35. St. Clair Hospice, Inc. dba Angeles Vista Hospice - A Department of Health Services Hospice Services Contract Service Provider - Contract Compliance Review (10/7/14). (14-4625)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

VI. DISCUSSIONS

36. CSS Monitoring Update. (14-3196)

On motion of Kieu-Anh King, and by Common Consent, there being no objection, this item was continued to the next meeting.

37. DPSS Monitoring Update. (14-4020)

Kenyatta Ortega, Department of Public Social Services (DPSS), provided an overview of the identified Questioned Costs and the Recommendations of Findings for El Nido Family Centers and Foothill Family Service. Ms. Ortega also provided a briefing of the DPSS terminated/expired contracts for fiscal year 2012-13 findings.

The Audit Committee requested that future DPSS Terminated/Expired Contract Findings schedules include a footnote that describes the reviews being part of regular practice and not a result of poorly performing contractors.

Attachments: [SUPPORTING DOCUMENT](#)

38. Contract Monitoring Database of Reviews (CMDR) Update. (14-4615)

Don Chadwick, Auditor-Controller, provided an overview of the Contract Monitoring Database of Reviews and requested that this item be continued to next month for a presentation prepared by his department.

By Common Consent, there being no objection, this item was continued to the next meeting.

39. CARD - Status Report. (14-4016)

Jason Stempinski, Auditor-Controller, provided an overview of the Contractor Alert Reporting Database (CARD) Schedule and answered questions posed by the Audit Committee regarding CARD placement criteria for construction contracts.

Attachments: [SUPPORTING DOCUMENT](#)

40. Pending Audits/Monitoring Reports. (14-4032)

There were no matters presented.

VII. MISCELLANEOUS

41. Matters not on the posted agenda (to be Presented and Placed on the Agenda of a Future Meeting). (14-4028)

There were no matters presented.

42. Public Comment. (14-4029)

No members of the public addressed the Committee.

43. Adjournment. (14-4030)

There being no further business to discuss, the meeting adjourned at 3:25 p.m.